

24 FEB 1956

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT : Termination of Agency Employees

In accordance with our recent discussions, we have examined current policies and procedures for the termination of Agency employees, in order to develop conclusions and recommendations for improvement.

I. Background

1. In the historical development of policies and procedures for terminating Agency employees, that event which first occurred has always been the most important.

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2. In its early days, the Agency wittingly forbore the exercise of this plenary power of the DCI. There were three principal reasons for this development:

a. The Agency was concentrating on getting organized and on recruiting the personnel to staff its organization, so that problems of terminating personnel were largely hypothetical.

b. Most of the original personnel of the Agency came from CIS, which had been governed by Civil Service provisions, and these first employees were soon joined by others whose sole governmental experience had been in departments or agencies similarly governed.

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c. There was an understandable initial reluctance to test the full powers of the DCI until the Agency had developed a competence to fulfill its mission, at least to the extent of being reasonably assured that it would be allowed to continue to exist.

3. As a result, CIA early incorporated into its own regulations, policies and procedures borrowed from standard government practices. Some of these procedures remain today. For example, it is still our policy respecting pay that:

"Although the Agency is exempt from the provisions of the Classification Act of 1949, the Agency shall adhere to the provisions of this Act insofar as possible. Basic classification principles and compensation schedules will be followed in order to assure that employees receive equality of compensation for work performance." (CIA [redacted] "Personnel Policies," 5 November 1951, para. A(2))

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4. As the Agency's termination policies and procedures developed, they similarly retained provisions resulting from the early practice of voluntarily borrowing from standard government routines, although we have now learned to accompany such incorporations with a statement as to the Director's plenary power, as for example:

"Employees with veterans' preference and/or Civil Service status shall be accorded all rights and privileges granted them under existing laws and regulations."

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5. By mid-1953, it became obvious to many Agency officials that the Agency was now sufficiently established and staffed so that it was high time to re-examine whether the Agency's termination policies and procedures were sufficiently commensurate with the Director's powers. The rapid growth occasioned by Korea had ceased; the Director had imposed personnel ceilings; supervisors and Personnel officials found that termination problems were no longer hypothetical but were indeed pressing in a growing number of cases.

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